

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;  
Michael Kubayanda, Vice Chairman;  
Mark Acton;  
Ann C. Fisher; and  
Ashley E. Poling

Competitive Product Prices  
Global Plus 1D (CP2016-193)  
Negotiated Service Agreements

Docket No. CP2017-232

Competitive Product Prices  
Global Plus 1D (CP2016-193)  
Negotiated Service Agreements

Docket No. CP2017-242

Competitive Product Prices  
Global Plus 3 (MC2016-152)  
Negotiated Service Agreements

Docket No. CP2017-249

Competitive Product Prices  
Global Plus 1D (CP2016-193)  
Negotiated Service Agreements

Docket No. CP2017-251

Competitive Product Prices  
Global Plus 1D (CP2016-193)  
Negotiated Service Agreements

Docket No. CP2017-254

Competitive Product Prices  
Global Plus 1D (CP2016-193)  
Negotiated Service Agreements

Docket No. CP2017-255

Competitive Product Prices  
Global Plus 4 (MC2018-150)  
Negotiated Service Agreements

Docket No. CP2019-50

Competitive Product Prices  
Global Plus 6 (MC2019-65)  
Negotiated Service Agreements

Docket No. CP2019-70

Competitive Product Prices  
Global Plus 4 (MC2018-150)  
Negotiated Service Agreements

Docket No. CP2019-110

## ORDER APPROVING MODIFICATIONS TO INTERNATIONAL NEGOTIATED SERVICE AGREEMENTS

(Issued January 30, 2020)

### I. INTRODUCTION

The Postal Service seeks to modify nine international negotiated service agreements in these dockets (Existing Agreements). For the reasons discussed below, the Commission approves these modifications.

On January 16, 2020, the Postal Service filed notices in these dockets that it has agreed to modifications to the Existing Agreements, as identified in Section III (Notices). On January 17, 2020, the Commission issued a notice reopening these dockets to consider these modifications, appointing Public Representatives, and providing interested persons with an opportunity to comment.<sup>1</sup>

### II. COMMISSION ANALYSIS

The Commission has reviewed the Notices, the comments filed by the Public Representatives, and the accompanying materials filed under seal.

*Cost considerations.* The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant

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<sup>1</sup> Docket No. CP2017-232, *et al.*, Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, January 17, 2020.

products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

Based on a review of the records, the Commission finds that the Existing Agreements, as modified, should cover their attributable costs. 39 U.S.C. § 3633(a)(2). For this reason, it finds that the Existing Agreements, as modified, should not result in competitive products as a whole being subsidized by market dominant products, in accordance with 39 U.S.C. § 3633(a)(1). Similarly, it finds the Existing Agreements, as modified, are unlikely to prevent competitive products as a whole from contributing an appropriate share of institutional costs, consistent with 39 U.S.C. § 3633(a)(3). See *also* 39 C.F.R. § 3015.7(c). Accordingly, a preliminary review of the modifications indicates they are consistent with section 3633(a). The Commission will continue to review the cost coverage of the Existing Agreement, as modified, in its Annual Compliance Determination to ensure that rates cover costs.

*Other considerations.* If the Existing Agreements, as modified, are terminated prior to their scheduled expiration dates, the Postal Service shall promptly notify the Commission.

Section III contains a list of the docket numbers associated with each modification, the title and date of the Postal Service's filings, a description of the revisions made by the modifications, and a brief summary of the comments received. The Commission approves the Existing Agreements identified in Section III, as modified.

### III. MODIFICATIONS APPROVED

1. *Docket No.:* CP2017-232; *Filing:* Notice of the United States Postal Service of Filing Modification Six to a Global Plus 1D Negotiated Service Agreement, January 16, 2020 (CP2017-232 Notice). *Revisions:* The modification revises the rates for Commercial ePacket service and revises the expiration date to June 30, 2020. CP2017-232 Notice, Attachment 1 at 1, 4. *Public Comments:* The Public Representative filed comments on January 23, 2020.<sup>2</sup> No other comments were received. The Public Representative concludes that the Existing Agreement, as modified, should continue to generate sufficient revenue to cover costs and satisfy 39 U.S.C. § 3633(a). See CP2017-232 PR Comments at 2.

2. *Docket No.:* CP2017-242; *Filing:* Notice of the United States Postal Service of Filing Modification Six to a Global Plus 1D Negotiated Service Agreement, January 16, 2020 (CP2017-242 Notice). *Revisions:* The modification revises the rates for Commercial ePacket service and revises the expiration date to June 30, 2020. CP2017-242 Notice, Attachment 1 at 1, 4. *Public Comments:* The Public Representative filed comments on January 23, 2020.<sup>3</sup> No other comments were received. The Public Representative concludes that the Existing Agreement, as modified, should continue to generate sufficient revenue to cover costs and satisfy 39 U.S.C. § 3633(a). See CP2017-242 PR Comments at 2.

3. *Docket No.:* CP2017-249; *Filing:* Notice of the United States Postal Service of Filing Modification Five to a Global Plus 3 Negotiated Service Agreement, January 16, 2020 (CP2017-249 Notice). The Postal Service additionally filed errata on

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<sup>2</sup> Docket No. CP2017-232, Public Representative Comments on Postal Service Notice of Filing Modification Six to Global Plus 1D Negotiated Service Agreement, January 23, 2020 (CP2017-232 PR Comments).

<sup>3</sup> Docket No. CP2017-242, Public Representative Comments on Postal Service Notice of Filing Modification Six to Global Plus 1D Negotiated Service Agreement, January 23, 2020 (CP2017-242 PR Comments).

the CP2017-249 Notice.<sup>4</sup> *Revisions:* The modification revises the rates for Commercial ePacket service, revises the tender amount, and revises the expiration date to June 30, 2020. CP2017-249 Notice, Attachment 1 at 1, 4. *Public Comments:* The Public Representative filed comments on January 28, 2020.<sup>5</sup> No other comments were received. The Public Representative concludes that the Existing Agreement, as modified, should continue to generate sufficient revenue to cover costs and satisfy 39 U.S.C. § 3633(a). See CP2017-249 PR Comments at 2.

4. *Docket No.:* CP2017-251; *Filing:* Notice of the United States Postal Service of Filing Modification Seven to a Global Plus 1D Negotiated Service Agreement, January 16, 2020 (CP2017-251 Notice). *Revisions:* The modification revises the rates for Commercial ePacket service and revises the expiration date to June 30, 2020. CP2017-251 Notice, Attachment 1 at 1, 4. *Public Comments:* The Public Representative filed comments on January 23, 2020.<sup>6</sup> No other comments were received. The Public Representative concludes that the Existing Agreement, as modified, should continue to generate sufficient revenue to cover costs and satisfy 39 U.S.C. § 3633(a). See CP2017-251 PR Comments at 2.

5. *Docket No.:* CP2017-254; *Filing:* Notice of the United States Postal Service of Filing Modification Five to a Global Plus 1D Negotiated Service Agreement, January 16, 2020 (CP2017-254 Notice). *Revisions:* The modification revises the rates for Commercial ePacket service and revises the expiration date to June 30, 2020. CP2017-254 Notice, Attachment 1 at 1, 4. *Public Comments:* The Public

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<sup>4</sup> Docket No. CP2017-249, Notice of the United States Postal Service of Filing Errata to Notice of the United States Postal Service of Filing Modification Five to a Global Plus 3 Negotiated Service Agreement, January 16, 2020.

<sup>5</sup> Docket No. CP2017-249, Public Representative Comments on Postal Service Notice of Modification Five to a Global Plus 3 Negotiated Service Agreement, January 28, 2020 (CP2017-249 PR Comments). The Public Representative also filed a motion for late acceptance of her comments. Docket No. CP2017-249, Motion of Public Representative for Late Acceptance of Public Representative Comments, January 28, 2020. This motion is granted.

<sup>6</sup> Docket No. CP2017-251, Public Representative Comments on Postal Service Notice of Filing Modification Seven to Global Plus 1D Negotiated Service Agreement, January 23, 2020 (CP2017-251 PR Comments).

Representative filed comments on January 24, 2020.<sup>7</sup> No other comments were received. The Public Representative concludes that the Existing Agreement, as modified, should continue to generate sufficient revenue to cover costs and satisfy 39 U.S.C. § 3633(a). See CP2017-254 PR Comments at 2.

6. *Docket No.:* CP2017-255; *Filing:* Notice of the United States Postal Service of Filing Modification Four to Global Plus 1D Negotiated Service Agreement, January 16, 2020 (CP2017-255 Notice). *Revisions:* The modification revises the rates for Commercial ePacket service and revises the expiration date to June 30, 2020. CP2017-255 Notice, Attachment 1 at 1, 4. *Public Comments:* The Public Representative filed comments on January 24, 2020.<sup>8</sup> No other comments were received. The Public Representative concludes that the Existing Agreement, as modified, should continue to generate sufficient revenue to cover costs and satisfy 39 U.S.C. § 3633(a). See CP2017-255 PR Comments at 2.

7. *Docket No.:* CP2019-50; *Filing:* Notice of the United States Postal Service of Filing Modification Three to Global Plus 4 Negotiated Service Agreement, January 16, 2020 (CP2019-50 Notice). *Revisions:* The modification revises the rates for Commercial ePacket service, revises the mail preparation requirements, revises the tender amount, revises a term related to conditions precedent, and revises the expiration date to June 30, 2020. CP2019-50 Notice, Attachment 1 at 1-2, 5. *Public Comments:* The Public Representative filed comments on January 27, 2020.<sup>9</sup> No other comments were received. The Public Representative concludes that the Existing

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<sup>7</sup> Docket No. CP2017-254, Public Representative Comments on Postal Service Notice of Filing Modification Five to Global Plus 1D Negotiated Service Agreement, January 24, 2020 (CP2017-254 PR Comments).

<sup>8</sup> Docket No. CP2017-255, Public Representative Comments on Postal Service Notice of Filing Modification Four to Global Plus 1D Negotiated Service Agreement, January 24, 2020 (CP2017-255 PR Comments).

<sup>9</sup> Docket No. CP2019-50, Public Representative Comments on Notice of the United States Postal Service of Filing Modification Three to a Global Plus 4 Negotiated Service Agreement, January 27, 2020 (CP2019-50 PR Comments).

Agreement, as modified, should continue to satisfy 39 U.S.C. § 3633(a). See CP2019-50 PR Comments at 2.

8. *Docket No.*: CP2019-70; *Filing*: Notice of the United States Postal Service of Filing Modification Two to Global Plus 6 Negotiated Service Agreement, January 16, 2020 (CP2019-70 Notice). *Revisions*: The modification revises the negotiated rates, revises the mail preparation requirements, revises the tender amount, revises the contract partner's minimum commitment, revises terms related to the distinction between the contract partner as a mailer and a reseller, revises a term related to conditions precedent, and revises the expiration date to June 30, 2020. CP2019-70 Notice, Attachment 1 at 1, 2, 5-23. *Public Comments*: The Public Representative filed comments on January 28, 2020.<sup>10</sup> No other comments were received. The Public Representative concludes that the Existing Agreement, as modified, should continue to generate sufficient revenue to cover costs and satisfy 39 U.S.C. § 3633(a). See CP2019-70 PR Comments at 2.

9. *Docket No.*: CP2019-110; *Filing*: Notice of the United States Postal Service of Filing Modification Two to Global Plus 4 Negotiated Service Agreement, January 16, 2020 (CP2019-110 Notice). *Revisions*: The modification revises the rates for Commercial ePacket service, revises the mail preparation requirements, revises the tender amount, and revises the expiration date to June 30, 2020. CP2019-110 Notice, Attachment 1 at 1, 4. *Public Comments*: The Public Representative filed comments on January 27, 2020.<sup>11</sup> No other comments were received. The Public Representative

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<sup>10</sup> Docket No. CP2019-70, Public Representative Comments on Postal Service Notice of Modification Two to a Global Plus 6 Negotiated Service Agreement, January 28, 2020 (CP2019-70 PR Comments). The Public Representative also filed a motion for late acceptance of her comments. Docket No. CP2019-70, Motion of Public Representative for Late Acceptance of Public Representative Comments, January 28, 2020. This motion is granted.

<sup>11</sup> Docket No. CP2019-110, Public Representative Comments on Notice of the United States Postal Service of Filing Modification Two to a Global Plus 4 Negotiated Service Agreement, January 27, 2020 (CP2019-110 PR Comments).

concludes that the Existing Agreement, as modified, should continue to satisfy 39 U.S.C. § 3633(a). See CP2019-110 PR Comments at 2.

#### IV. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission approves the international negotiated service agreements filed in these dockets, as modified.
2. The Postal Service shall notify the Commission if any of the Existing Agreements, as modified, terminate prior to their revised expiration date, June 30, 2020.

By the Commission.

Ruth Ann Abrams  
Acting Secretary